



Clariant Fall 2008 Roadshow

*Credit Suisse Swiss Equities Conference
New York, September 23, 2008*

Patrick Jany, CFO



Exactly your chemistry.

Agenda



Exactly your chemistry.

First half highlights

Financial results second quarter

Business review & trends

Strategy update

Outlook

First half 2008 – highlights



- Price increases of 5% fully compensate for an 11% increase in raw material costs
- Implementation of strategic action plans in the divisions delivering results
- Acquisition of Rite Systems/Ricon Colors strengthens Masterbatches
- Closure of TLP site in Horsforth, UK, announced
- Reduction of 750 jobs, bringing total to about 1,800 of 2,200 planned
- Full-year outlook unchanged

Committed to achieving our targets

Second quarter 2008 financials



Exactly your chemistry.

	Q2/08	Q2/07
Sales in CHF million	2,121	2,180
Sales growth in local currencies	+5%	+4%
Gross margin	28.9%	28.7%
EBIT margin before exceptionals	6.7%	6.5%
Operating cash flow in CHF million	33	17
Net income in CHF million	51	-11

Strong sales growth in Asia



Exactly your chemistry.

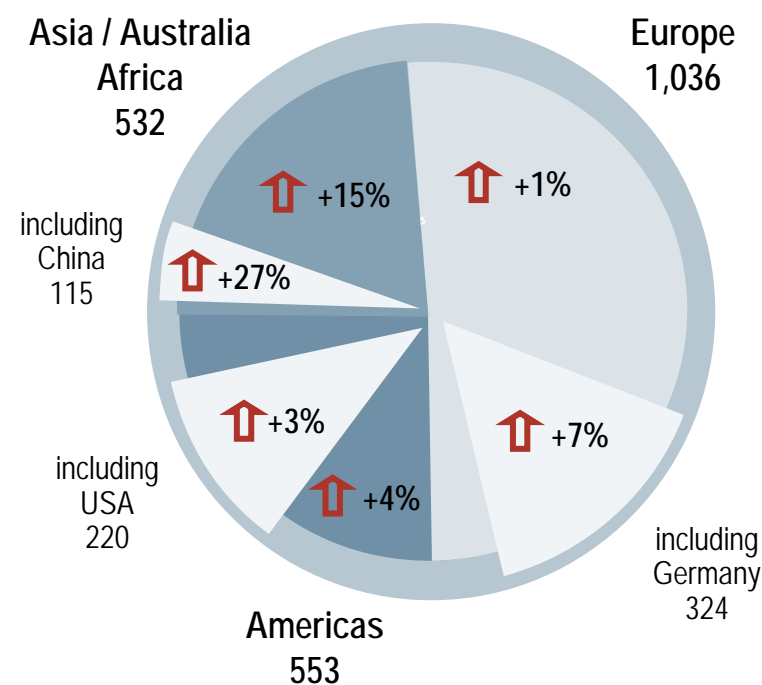
Sales growth in local currencies

Q2/08 Q2/07

+5%

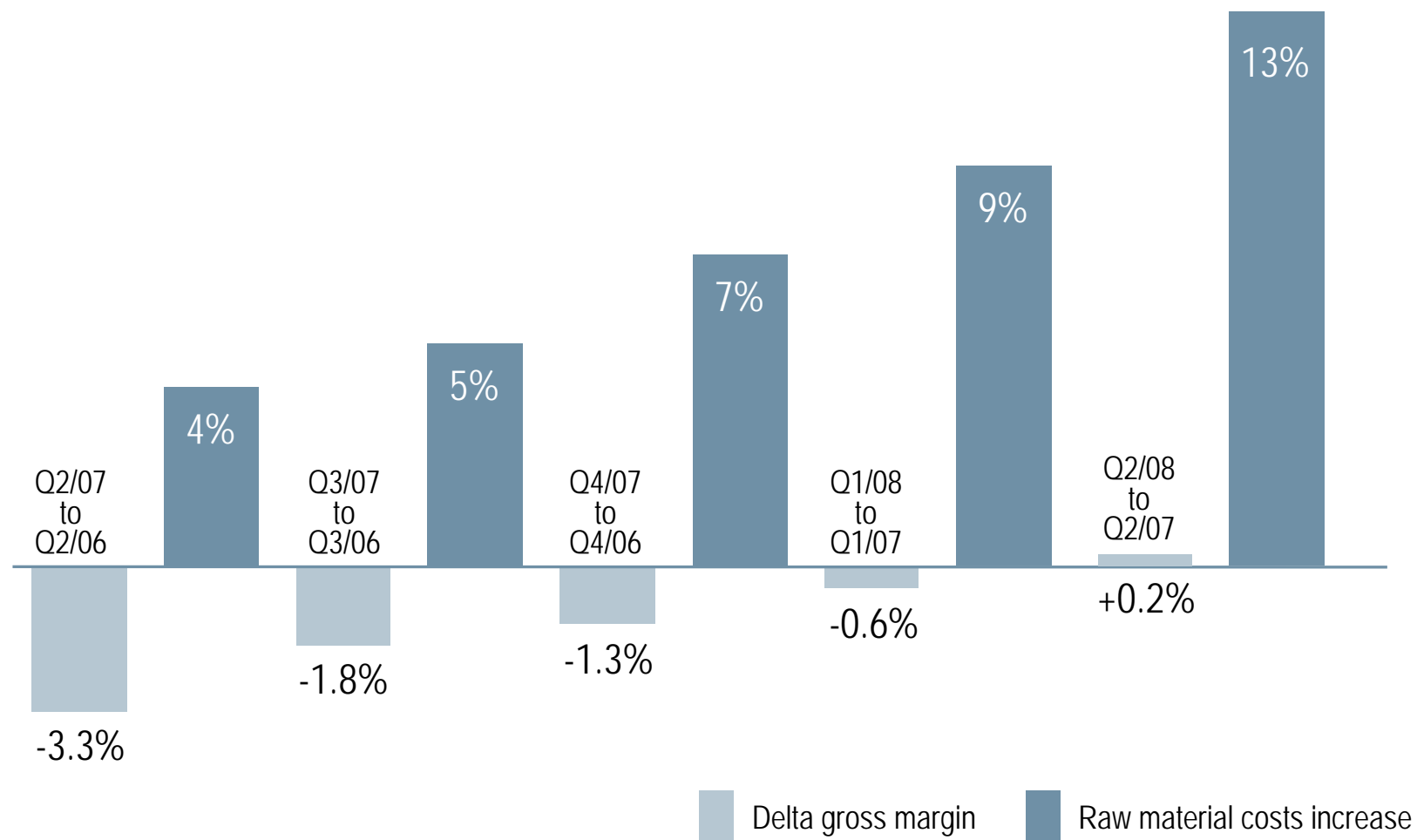
+4%

- Sales CHF 2.121 billion, +5% in local currencies
- Prices up 6%, volume down 1%
- Currency impact equivalent to 8% of sales mainly from weak USD



↑ sales growth in local currencies

Gross margin improving



Cash flow and financial result



- Cash flow impacted by inventories build-up, driven by tight supply markets

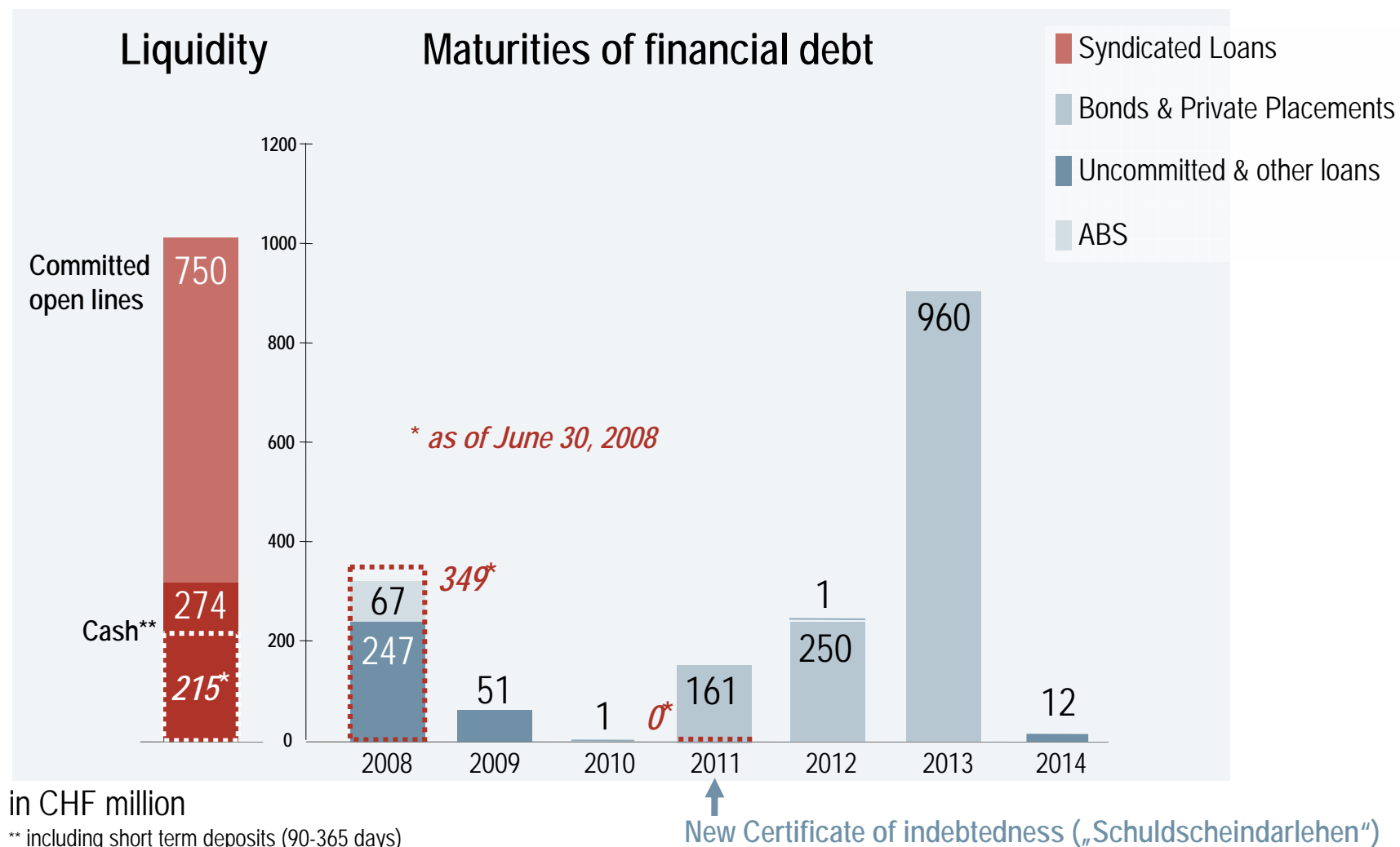


- Financial result influenced by FX losses of CHF 4 million vs. gain of CHF 25 million in Q2/07
- Net debt increases to CHF 1,476 million from CHF 1,357 million by the end of Q1/08 due to higher working capital financing needs
- July 17: Certificate of Indebtedness ("Schuldscheindarlehen") launched:
Euro 100 million, refinancing short-term borrowings with a tenor of 3.25 years on favorable terms despite difficult credit market conditions: spread of 125 bps over mid-swap (fixed rate tranche) / Euribor (floating rate tranche)

Debt maturity profile on July 17, 2008 (pro forma)



Exactly your chemistry.





Business Review & Trends



Exactly your chemistry.

Textile, Leather & Paper Chemicals



Exactly your chemistry.

	Second quarter 2008					
	2008		2007		Change	
	CHF million	% of sales	CHF million	% of sales	% CHF	% LC
Sales	554		618		-10%	-1%
EBITDA before exceptionals	55	9.9%	67	10.8%	-18%	-9%
Operating income before exceptionals	39	7.0%	49	7.9%	-21%	-10%
Operating income	34	6.1%	41	6.6%	-17%	-4%



Business trends:

- Difficult market conditions in all three segments
- Gross margin improved on sales price increases and restructuring measures
- Key textile markets India and Turkey started to recover
- Tight raw material supply situation in Paper business
- Closure of TLP site Horsforth/Leeds, UK, under negotiation

Pigments & Additives



Exactly your chemistry.

	Second quarter 2008					
	2008		2007		Change	
	CHF million	% of sales	CHF million	% of sales	% CHF	% LC
Sales	541		538		1%	8%
EBITDA before exceptionals	74	13.7%	59	11.0%	25%	35%
Operating income before exceptionals	55	10.2%	39	7.2%	41%	54%
Operating income	42	7.8%	38	7.1%	11%	24%



Business trends:

- Good sales growth in a challenging environment
- Gross margin improved due to rapid implementation of restructuring measures
- Good qualitative growth in Coatings and in Specialties
- Plastics business recovered in mature markets
- Base Products business unit contributing positively to operating result

Functional Chemicals



Exactly your chemistry.

	Second quarter 2008					
	2008		2007		Change	
	CHF million	% of sales	CHF million	% of sales	% CHF	% LC
Sales	685		661		4%	11%
EBITDA before exceptionals	66	9.6%	56	8.5%	18%	27%
Operating income before exceptionals	48	7.0%	39	5.9%	23%	36%
Operating income	46	6.7%	37	5.6%	24%	37%



Business trends:

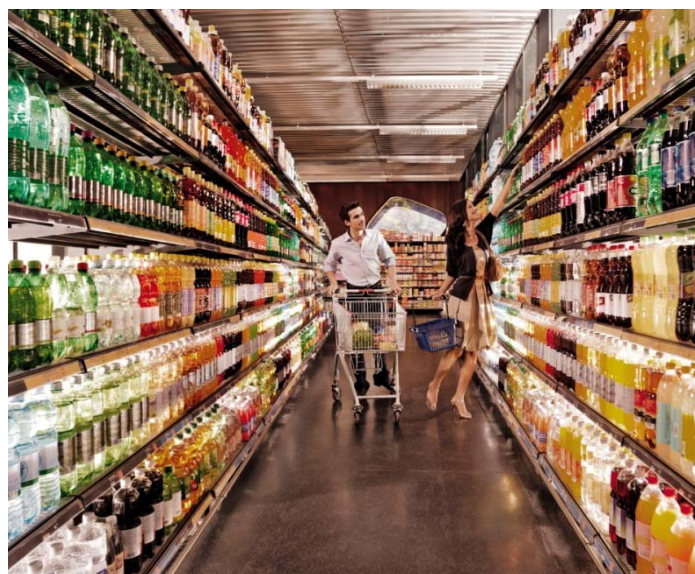
- Double-digit sales growth in local currencies
- Improved volumes and sales prices offset escalating raw material costs
- Turnaround in Detergents & Intermediates confirmed
- Construction benefiting from infrastructure projects in emerging markets
- Chemical Management Solutions business HQ opened in Houston, Texas

Masterbatches



Exactly your chemistry.

	Second quarter 2008					
	2008		2007		Change	
	CHF million	% of sales	CHF million	% of sales	% CHF	% LC
Sales	341		363		-6%	1%
EBITDA before exceptionals	38	11.1%	43	11.8%	-12%	-5%
Operating income before exceptionals	29	8.5%	35	9.6%	-17%	-7%
Operating income	29	8.5%	32	8.8%	-9%	-3%



Business trends:

- Sales in local currencies up in mature markets despite an economic slowdown
- Reasonable trading conditions in packaging and consumer goods, weak demand in textile and automotive
- Selective price increases offset higher raw material costs
- Currency developments a burden for European customers
- Acquisition of Rite Systems / Ricon Colors in the US to strengthen and leverage liquid masterbatches business

Rite Systems/Ricon Colors – competence in liquid colors

- Rite Systems/Ricon Colors – no. 2 US suppliers of liquid color masterbatches with annual sales of USD 50 million
- Liquid colors are masterbatches dispersed in a liquid carrier
- Market size liquid colors approx. 3% of the USD 10 billion masterbatches market
- Clariant can now offer liquid and solid masterbatches to both domestic and international markets
- Leverage new competence into other regions where Clariant enjoys strong market positions



WEST CHICAGO, ILL.



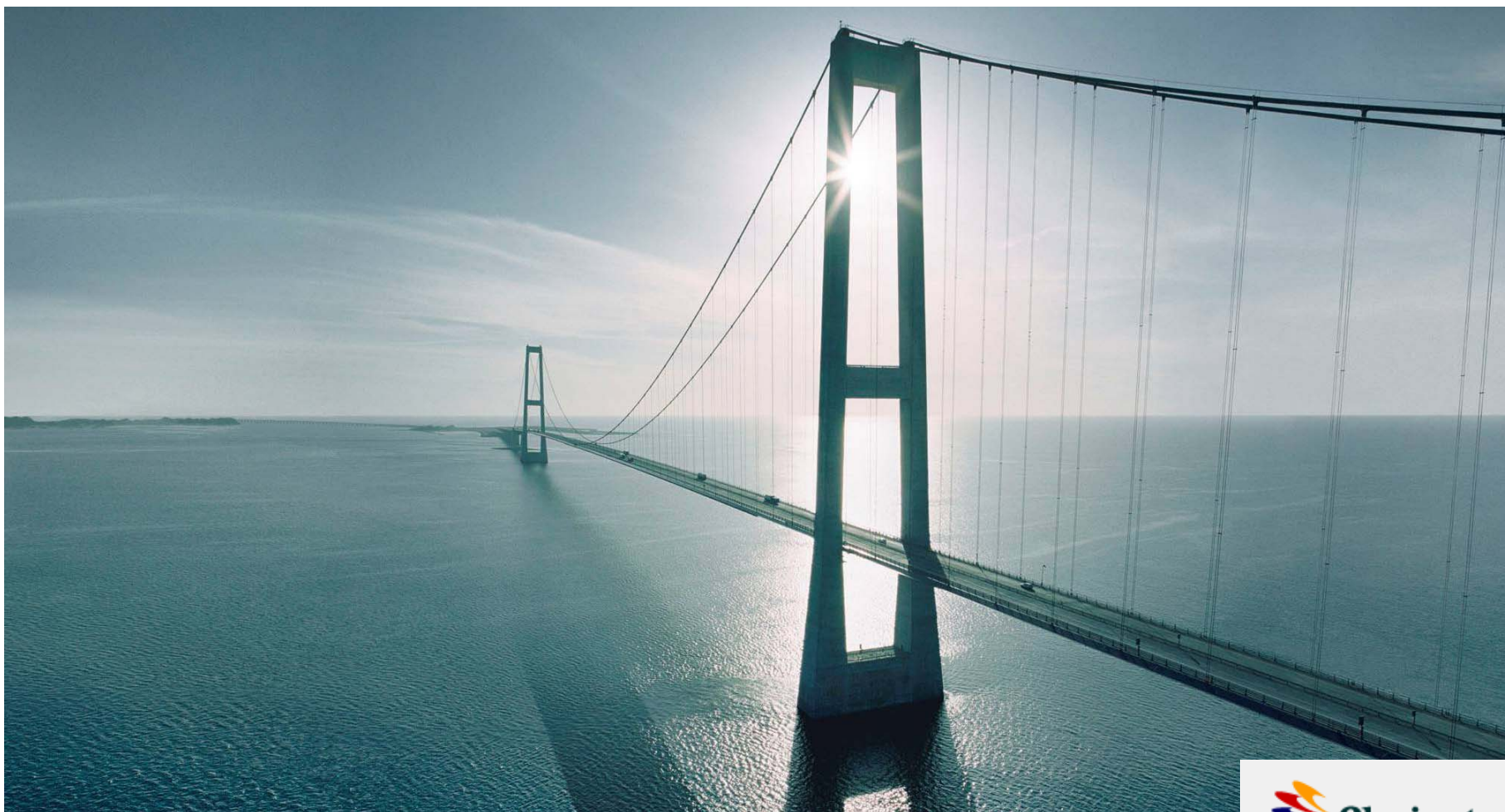
MOORESVILLE, N.C.



CHINO, California



VIENNA, Austria



Strategy Update



Exactly your chemistry.

Our view of Clariant in 2006



Exactly your chemistry.



Exactly your chemistry.

Executive Summary

Strategy

Financials

Conclusion

Our view of Clariant today

Strategy

- Portfolio: businesses in mid-range of specialty chemicals industry
- Front-end focus must drive, not sufficiently strong today
- We will not buy or sell our way out of challenges

Execution

- **The top priority**
- We have made progress in the last 3 years –
but we have to get to a different performance level
- Results are what counts – not completed actions
- Not a matter of structure and models...

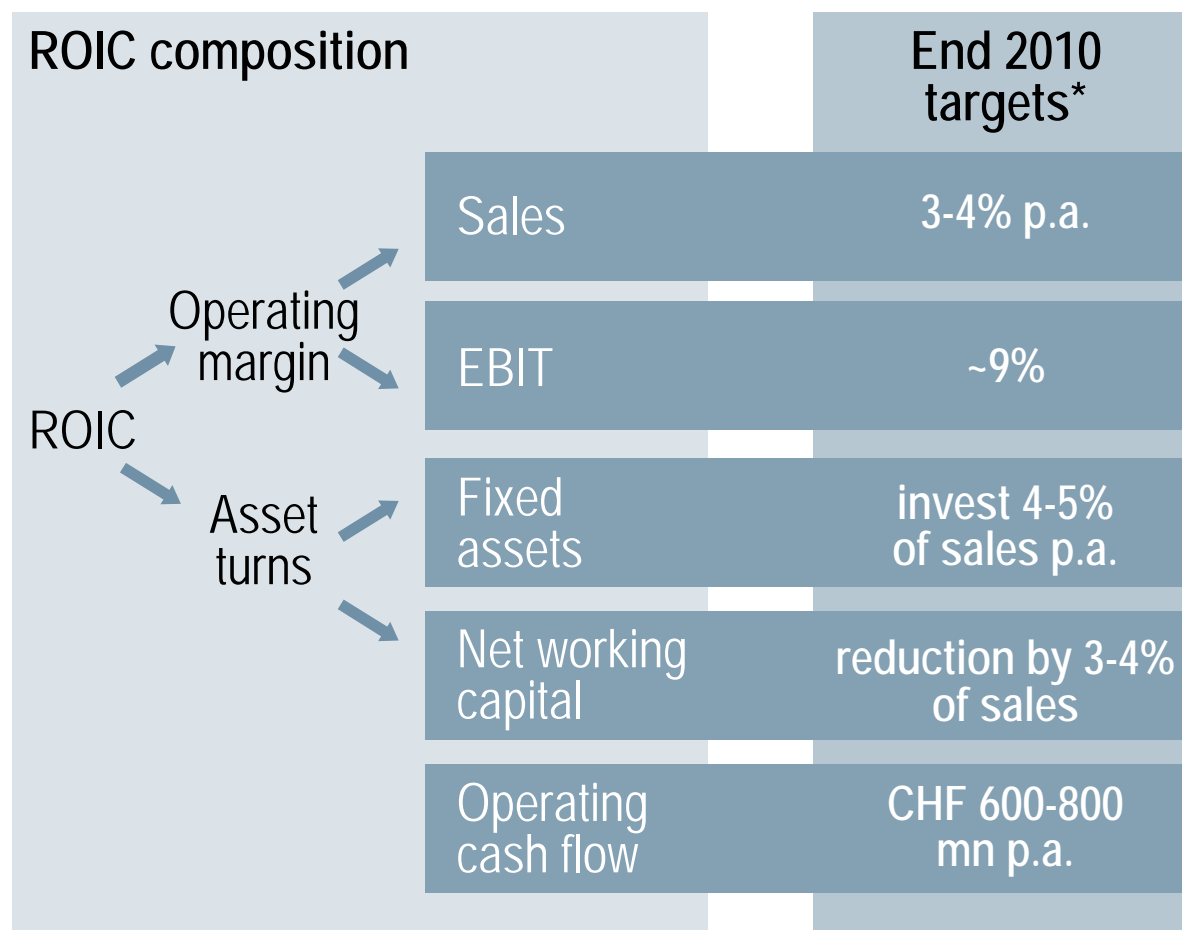
People

- *...but* culture and behavior – it starts with *us!*
- Important steps taken recently



Clariant's long-term potential is very promising

Key target – achieving above peer average ROIC by end of 2010



ROIC calculated on after-tax basis

*Based on 2006 environment

How to get there – strategy defined in 2006



Operational Excellence

- Increase prices to offset raw materials impact
- Manage gross margin (PRIMA, Value Based Selling)
- Reduction in SG&A by approx. 2%, 2200 employees
- Product pruning -25%
- Closure of sites (10% of 130)
- Reduction of net working capital

Business Structure

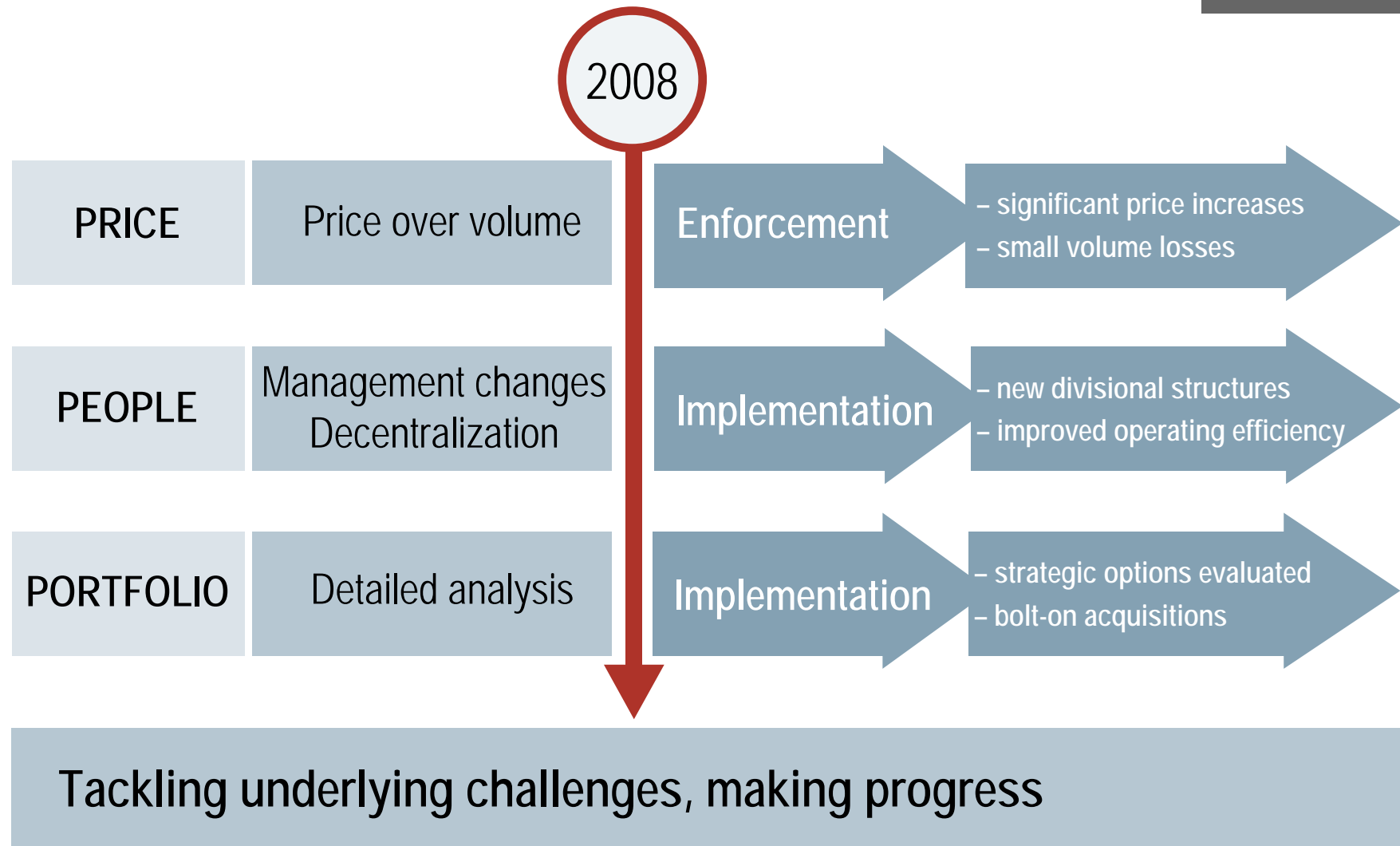
- Product-driven businesses:
focus on increased efficiency and cost structure
- Service-driven businesses:
apply active sales and marketing strategies and product leadership

Portfolio Reshaping

- Divestment of unattractively positioned businesses
- Active consolidation strategy in value creating business areas

Deliver above average ROIC by 2010

Implementing change – action plan for 2008



Implementing change – creating sustainable profitability



		2008	2009	2010
€	Price	++	+	+
People		++	+	=
Plants		=	+	++
Portfolio		=	+	++

Expected impact on profitability in each year: ++ major + minor = unchanged



Outlook



Exactly your chemistry.

Outlook for 2008



Environment

- *Further* increasingly uncertain economic outlook
- *Continuing* increases in raw material and energy costs

Clariant

- Improving operating margin before exceptional items compared to 2007
- Continuing strong cash flow generation
- Period of active portfolio reshaping



Backup Slides



Exactly your chemistry.

Customer structure – serving a broad range of end users



Textile, Leather & Paper Chemicals	<ul style="list-style-type: none">■ Textile industry■ Leather industry■ Paper industry
Pigments & Additives	<ul style="list-style-type: none">■ Coating Business: manufacturer of automotive, industrial and powder coatings, and decorative paints■ Plastic industry■ Printing industries■ Specializes industries, incl. flame retardants, cosmetics, leather and stationery
Masterbatches	<ul style="list-style-type: none">■ Resin producers■ Manufacturers of compounds using polymers and additives, such as flame retardands and light stabilizers;■ Manufacturers of products from synthetic materials■ Manufacturers of industrial goods, e.g. carpets; textiles and upholstery; industrial, food and beverage packaging; personal care; automotive; business machines
Functional Chemicals	<ul style="list-style-type: none">■ Oil and gas industry, mining industry■ Detergents and intermediates■ Industrial & consumer care: aviation, crop protection, construction, personal care

First half 2008 – Key financial group figures



Exactly your chemistry.

	First half 2008			
	2008		2007	
	CHF million	% of sales	CHF million	% of sales
Sales	4,233	100%	4,336	100%
Local currency growth (LC)	4%			
- Organic growth rate*	4%			
- Acquisitions/Divestitures	0%			
Currencies	-6%			
Gross profit	1,259	29.7%	1,297	29.9%
EBITDA before exceptionals	437	10.3%	430	9.9%
EBITDA	391	9.2%	406	9.4%
Operating income before exceptionals	310	7.3%	294	6.8%
Operating income	258	6.1%	266	6.1%
Net income from continuing operations	92	2.2%	174	4.0%
Operating cash flow (total operations)**	27		54	
Discontinued operations				
Sales	0		81	
Net loss from discontinued operations	0		-101	

* organic growth: volume and price effects excluding the impact of changes in foreign currency exchange rates and acquisitions/divestitures

** the presentation of the cash flow statement was changed to provide additional relevant information. Comparative information was reclassified accordingly.

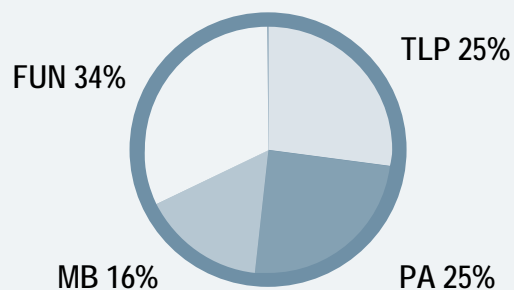
Sales and EBITDA margins by divisions – first half 2008



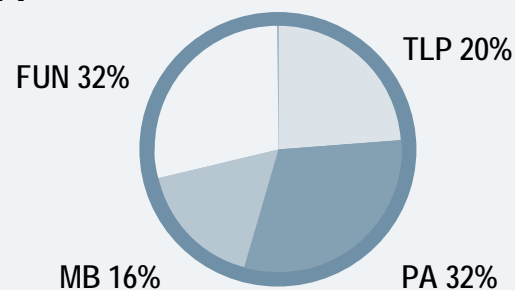
Exactly your chemistry.

	First half 2008			
	Sales		EBITDA Margin in %*	
	CHF million	% LC	2008	2007
Textile, Leather & Paper Chemicals	1,070	-3%	9.2	9.9
Pigments & Additives	1,068	+7%	14.6	13.0
Masterbatches	682	+1%	11.3	11.6
Functional Chemicals	1,413	+10%	10.7	9.7
Total Group	4,233	+4%	10.3	9.9

Sales



EBITDA*



* before exceptional items

Cash flow first half 2008



Exactly your chemistry.

	First half 2008	
	2008	2007*
	CHF million	CHF million
Net income	92	73
Depreciation, amortization & impairment	133	147
Other	66	118
Operating cash flow before working capital	291	338
Changes in working capital and provisions	-264	-284
Operating cash flow	27	54
Capital expenditure	18	-255
<i>Property, Plant & Equipment</i>	<i>-107</i>	<i>-132</i>
<i>Changes in current financial assets</i>	<i>125</i>	<i>-123</i>
Acquisitions, disposals and other	-32	2
Cash flow before financing	13	-199

* the presentation of the cash flow statement was changed to provide additional relevant information. Comparative information was reclassified accordingly.

Financial result first half 2008



Exactly your chemistry.

	First half 2008	
	2008	2007
	CHF million	CHF million
Interest income	8	11
Interest expenses	-40	-54
Other financial income & expenses	-6	-6
Net interest result	-38	-49
Currency result, net	-48	30
Total financial result	-86	-19

Textile, Leather & Paper Chemicals – first half results



	First half 2008					
	2008		2007		Change	
	CHF million	% of sales	CHF million	% of sales	% CHF	% LC
Sales	1,070		1,198		-11%	-3%
EBITDA before exceptionals	98	9.2%	119	9.9%	-18%	-12%
Operating income before exceptionals	66	6.2%	83	6.9%	-20%	-14%
Operating income	51	4.7%	74	6.2%	-31%	-25%



Business trends:

- Difficult market conditions in all three segments
- Gross margin improved on sales price increases and restructuring measures
- Key textile markets India and Turkey started to recover
- Tight raw material supply situation in Paper business
- Closure of TLP site Horsforth/Leeds, UK, under negotiation

Pigments & Additives – first half results



Exactly your chemistry.

	First half 2008					
	2008		2007		Change	
	CHF million	% of sales	CHF million	% of sales	% CHF	% LC
Sales	1,068		1,061		1%	7%
EBITDA before exceptionals	156	14.6%	138	13.0%	13%	19%
Operating income before exceptionals	118	11.0%	98	9.2%	20%	27%
Operating income	101	9.5%	97	9.1%	4%	10%



Business trends:

- Good sales growth in a challenging environment
- Gross margin improved due to rapid implementation of restructuring measures
- Good qualitative growth in Coatings and in Specialties
- Plastics business recovered in mature markets
- Base Products business unit contributing positively to operating result

Functional Chemicals – first half results



Exactly your chemistry.

	First half 2008					
	2008		2007		Change	
	CHF million	% of sales	CHF million	% of sales	% CHF	% LC
Sales	1,413		1,355		4%	10%
EBITDA before exceptionals	152	10.7%	132	9.7%	15%	22%
Operating income before exceptionals	118	8.4%	98	7.2%	20%	27%
Operating income	111	7.9%	99	7.3%	12%	19%



Business trends:

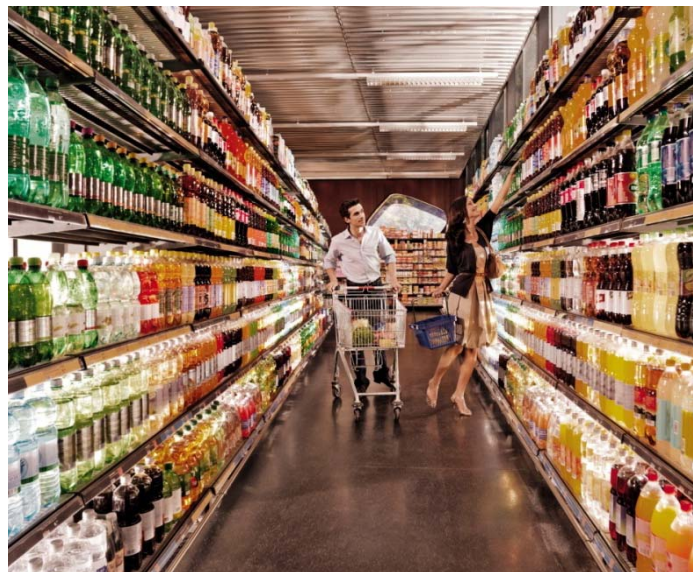
- Double-digit sales growth in local currencies
- Improved volumes and sales prices offset escalating raw material costs
- Turnaround in Detergents & Intermediates confirmed
- Construction benefiting from infrastructure projects in emerging markets
- Chemical Management Solutions business HQ opened in Houston, Texas

Masterbatches – first half results



Exactly your chemistry.

	First half 2008					
	2008		2007		Change	
	CHF million	% of sales	CHF million	% of sales	% CHF	% LC
Sales	682		722		-6%	1%
EBITDA before exceptionals	77	11.3%	84	11.6%	-8%	-2%
Operating income before exceptionals	61	9.0%	67	9.3%	-9%	-3%
Operating income	59	8.7%	49	6.8%	21%	28%



Business trends:

- Sales in local currencies up in mature markets despite an economic slowdown
- Reasonable trading conditions in packaging and consumer goods, weak demand in textile and automotive
- Selective price increases offset higher raw material costs
- Currency developments a burden for European customers
- Acquisition of Rite Systems / Ricon Colors in the US to strengthen and leverage liquid masterbatches business

Second quarter 2008 – Key financial group figures



Exactly your chemistry.

	Second quarter 2008			
	2008		2007	
	CHF million	% of sales	CHF million	% of sales
Sales	2,121	100%	2,180	100%
<i>Local currency growth (LC)</i>	<i>5%</i>			
<i>- Organic growth rate*</i>	<i>5%</i>			
<i>- Acquisitions/Divestitures</i>	<i>0%</i>			
<i>Currencies</i>	<i>-8%</i>			
Gross profit	614	28.9%	626	28.7%
EBITDA before exceptionals	207	9.8%	211	9.7%
EBITDA	184	8.7%	196	9.0%
Operating income before exceptionals	143	6.7%	142	6.5%
Operating income	118	5.6%	127	5.8%
Net income from continuing operations	51	2.4%	88	4.0%
Operating cash flow (total operations)**	33		17	
Discontinued operations				
Sales	0		35	
Net loss from discontinued operations	0		-99	

* organic growth: volume and price effects excluding the impact of changes in foreign currency exchange rates and acquisitions/divestitures

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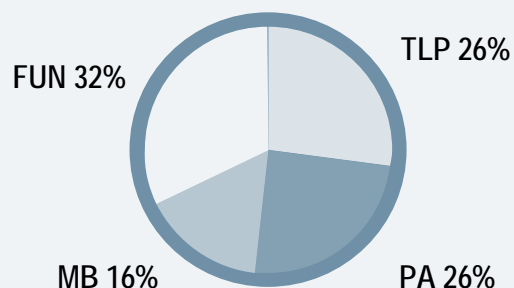
Sales and EBITDA margins by divisions – Second quarter 2008



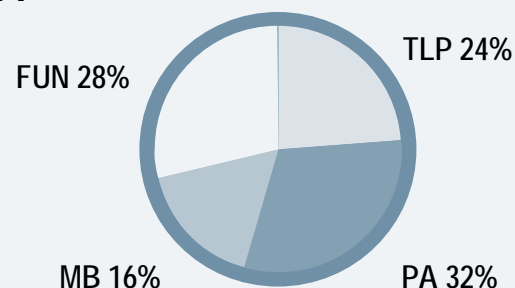
Exactly your chemistry.

	Second quarter 2008			
	Sales		EBITDA Margin in %*	
	CHF million	% LC	2008	2007
Textile, Leather & Paper Chemicals	554	-1%	9.9	10.8
Pigments & Additives	541	+8%	13.7	11.0
Masterbatches	341	+1%	11.1	11.8
Functional Chemicals	685	+11%	9.6	8.5
Total Group	2,121	+5%	9.8	9.7

Sales



EBITDA*



* before exceptional items

Cash flow second quarter 2008



Exactly your chemistry.

	Second quarter 2008	
	2008	2007*
	CHF million	CHF million
Net income	51	-11
Depreciation, amortization & impairment	66	72
Other	-18	86
Operating cash flow before working capital	99	147
Changes in working capital and provisions	-66	-130
Operating cash flow	33	17
Capital expenditure	-54	-259
<i>Property, Plant & Equipment</i>	<i>-60</i>	<i>-75</i>
<i>Changes in current financial assets</i>	<i>6</i>	<i>-184</i>
Acquisitions, disposals and other	-21	-8
Cash flow before financing	-42	-250

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Financial result second quarter 2008



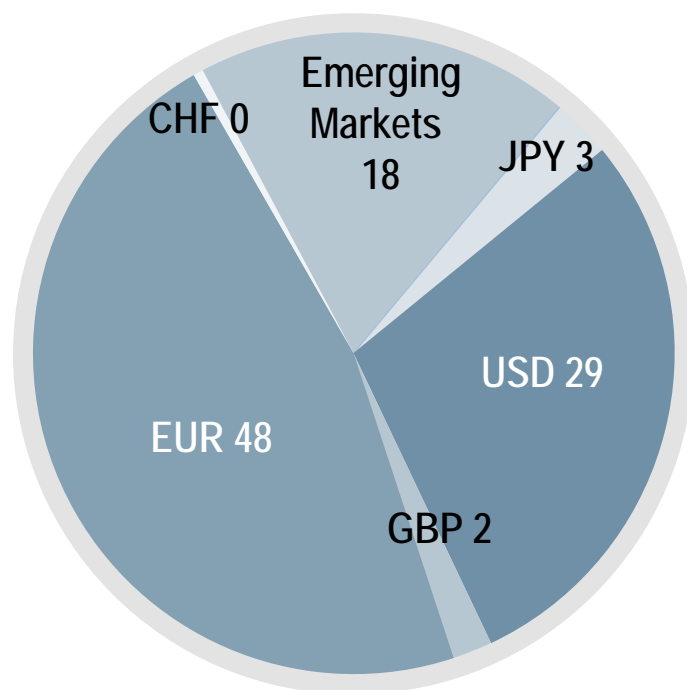
Exactly your chemistry.

	Second quarter 2008	
	2008	2007
	CHF million	CHF million
Interest income	2	6
Interest expenses	-19	-29
Other financial income & expenses	-3	-1
Net interest result	-20	-24
Currency result, net	-4	25
Total financial result	-24	1

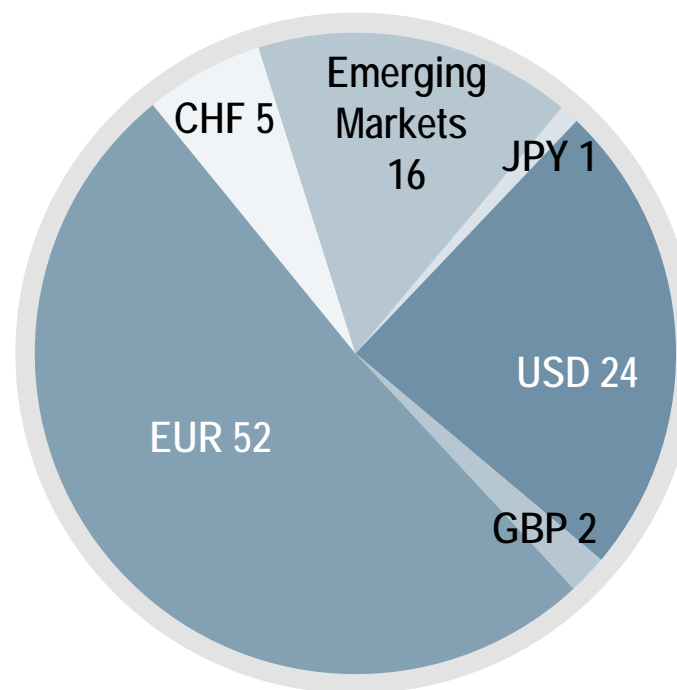
Sales and cost structure



Global sales distribution in %



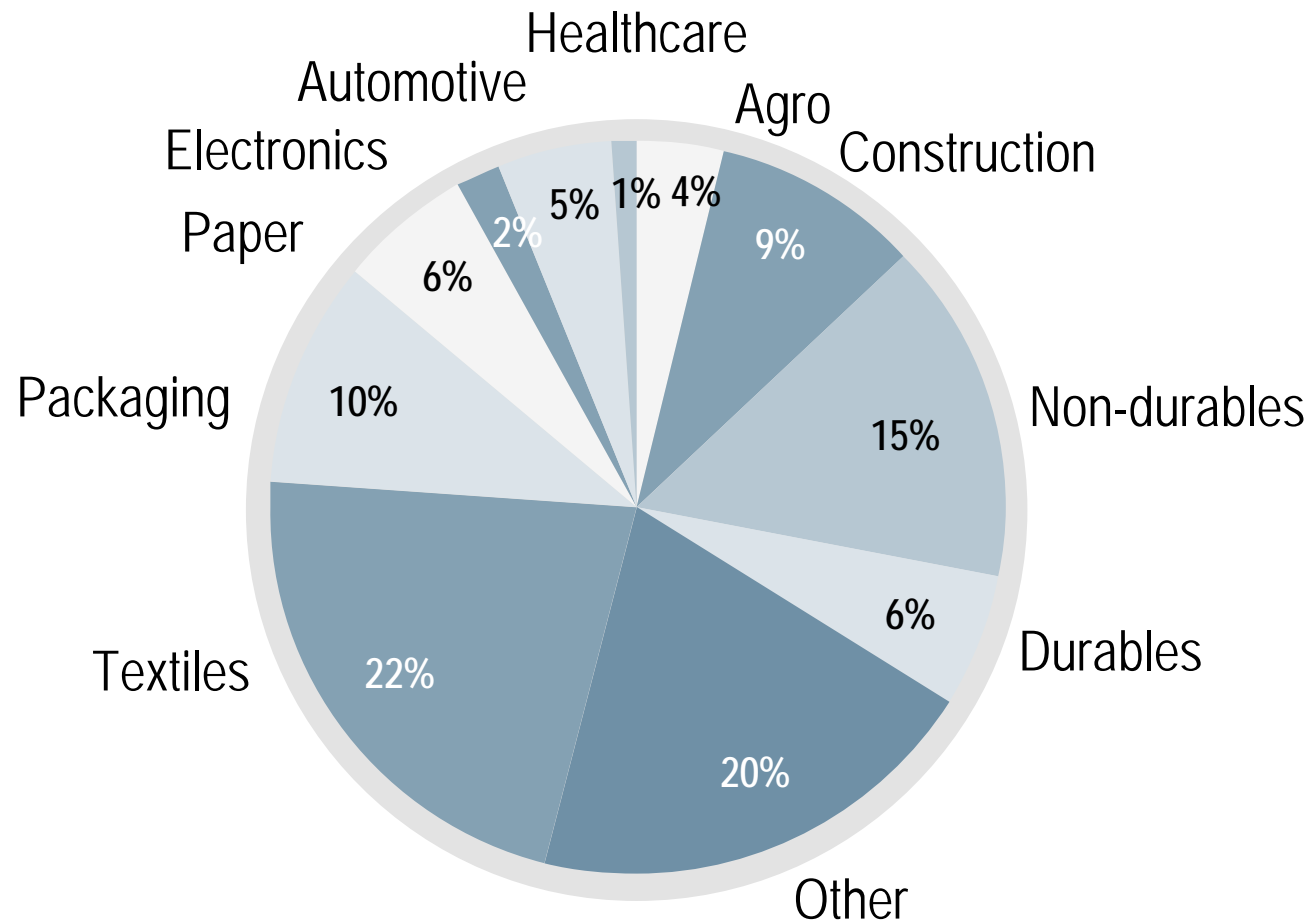
Global cost distribution in %



per June 30, 2008

These distributions represent an approximation to total cash in- and outflows and are closely linked to transaction exposures

Divisional sales Full-Year 2007 in end-user markets



Continuing operations

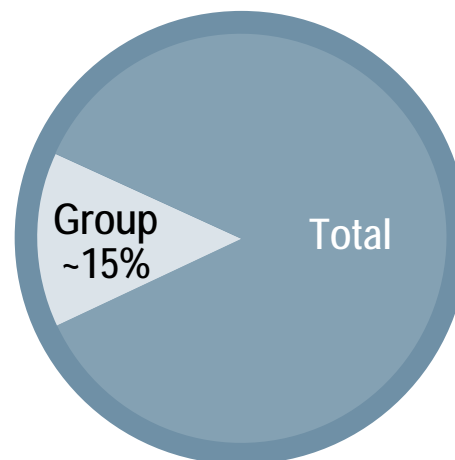
Credit Suisse Swiss Equities Conference, September 23, 2008

Slide 38

Top 5 products in percentage of total raw material costs



Ranking	Product
1	Ethylene & -Oxide
2	Polyethylene
3	Vinyl acetate
4	Acetic Acid
5	Acrylates



Businesses and market segments



Exactly your chemistry.

Textile, Leather & Paper Chemicals

- Textile
- Leather
- Paper

Pigments & Additives

- Business Unit Coatings
- Business Unit Plastics
- Business Unit Specialties
- Business Unit Base Products

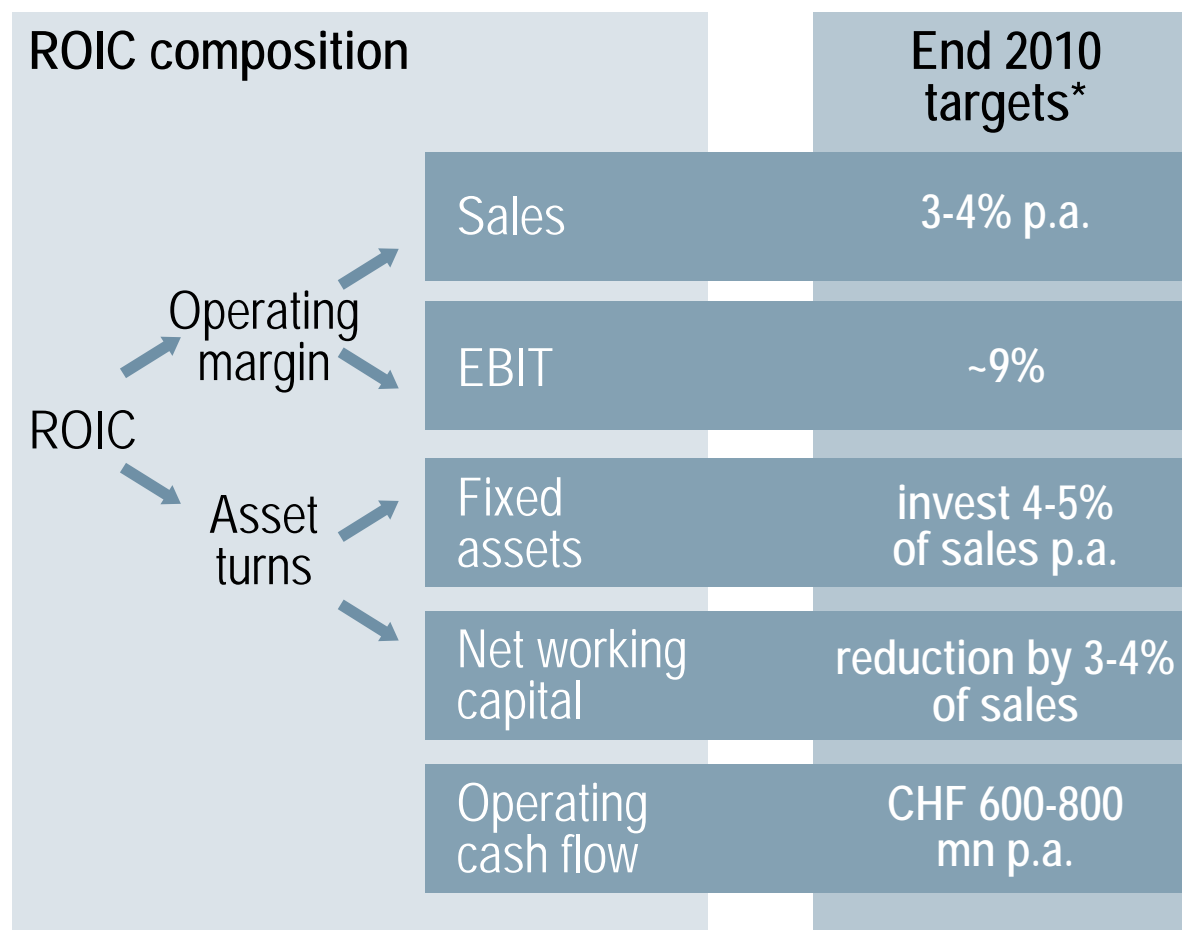
Masterbatches

- Packaging
- Consumer Goods
- Textiles
- Automotive
- Major Resin Producers

Functional Chemicals

- Chemical Management Solutions
- Industrial & Consumer Care
- Regional Business Units e.g. Detergents & Intermediates

Key targets: to achieve above peer average ROIC by end of 2010



ROIC calculated on after-tax basis *Based on 2006 environment

Calendar of upcoming corporate events



November 4, 2008	Nine Months 2008 Results
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February 17, 2009	Full-Year 2008 Results
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April 2, 2009	Annual General Meeting, Basel
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May 6, 2009	First Quarter 2009 Results
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July 30, 2009	Half Year 2009 Results
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November 4, 2009	Nine Months 2009 Results
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IR contacts



Exactly your chemistry.

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